



# San Diego City Attorney **MICHAEL J. AGUIRRE**

## NEWS RELEASE

**FOR IMMEDIATE RELEASE: \*March 12, 2007**

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### **CITY TAXPAYERS PAY MILLIONS OF DOLLARS TO SUBSIDIZE PROFESSIONAL FOOTBALL IN SAN DIEGO**

**San Diego, CA:** In 2006, it cost the City of San Diego close to \$10 million for the San Diego Chargers to play at Qualcomm Stadium. This did not include the annual \$5.8 million payment on the bond debt incurred for the 1997 improvements to the Stadium. For the same period, the San Diego Chargers organization made an estimated \$70 million, excluding revenue from merchandising, advertising, parking, television and other sources. In revealing these costs, City Attorney Michael Aguirre wants the public to understand how much it is costing the City to subsidize professional football in San Diego.

“Unfortunately City officials approved lopsided deals in 1995, 1996, and 2004 that benefited the Chargers to the detriment of taxpayers,” said City Attorney Aguirre. “I am urging City officials to engage in an honest dialogue with the team in the hopes of lessening the burden.”

Below are two tables released by the City Attorney that shows the City’s annual subsidy for the Chargers:

<b>COST OF THE SAN DIEGO CHARGERS TO THE CITY OF SAN DIEGO</b>			
	<b>SEASON</b>		
	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>CHARGERS' STADIUM REVENUE (1) (2)</b>	<b>\$70 Million</b>	<b>\$65 Million</b>	<b>\$60 Million</b>
SUBSIDY FROM SPORTS ARENA	\$ 3,400,000	\$ 3,200,000	\$ 3,200,000
SUBSIDY FROM TOT FUNDS	\$ 5,500,000	\$ 5,000,000	\$ 6,000,000
POLICE SERVICES	\$ 715,000	\$ 650,000	\$ 600,000
FIRE SERVICES	\$ 25,000	\$ 23,000	\$ 20,000
<b>COST TO THE CITY</b>	<b>\$ 9,640,000</b>	<b>\$ 8,873,000</b>	<b>\$ 9,820,000</b>
<b>Annual Bond Debt Service</b>	<b>\$ 5,800,000</b>	<b>\$ 5,800,000</b>	<b>\$ 5,800,000</b>
(1) City Attorney Est - (65,000 seats @ \$100/game @ 10 games = \$65 million, plus \$5 million in Suites (2) Does not include Media (television, etc.), Merchandising, Parking, Advertising, or other revenue			

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CITY OF SAN DIEGO						
QUALCOMM STADIUM						
	FROM OPERATIONS			SUBSIDY FROM SPORTS ARENA	SUBSIDY FROM TOT FUNDS	TOTAL CITY SUBSIDY
FISCAL YEAR	TOTAL EXPENDITURES	TOTAL REVENUES	OPERATING DEFICIT			
	(5)	(2)		(3)	(3)	(4)
BUDGET 2007	\$ 15,993,008	\$ 15,681,009	\$ 311,999	\$ 3,419,859	\$ 5,500,000	\$ 9,231,858
2006	14,877,604	14,540,051	337,553	3,320,251	5,000,000	8,657,804
2005	19,343,760	19,231,282	112,478	3,223,545	6,000,000	9,336,023
BUDGET 2004	21,771,386	21,498,254	273,132	6,586,250	6,000,000	12,859,382
2003	23,064,067	23,436,691	(372,624)	2,610,641	5,000,000	7,238,017
2002	23,155,798	23,934,188	(778,390)	2,618,948	7,461,981	9,302,539
2001	23,598,494	23,397,328	201,166	2,384,600	8,339,821	10,925,587
2000	22,473,972	16,272,246	6,201,726	2,287,930	3,500,000	11,989,656
1999	21,278,518	22,384,715	(1,106,197)	2,073,437	7,800,000	8,767,240
1998	17,967,929	17,689,757	278,172	1,838,590	3,300,000	5,416,762
1997	15,854,665	12,646,375	3,208,290	2,034,464	-	5,242,754
1996	8,945,500	11,061,452	(2,115,952)	2,000,000	3,000,000	2,884,048
1995	8,213,943	11,375,407	(3,161,464)	2,000,000	3,000,000	1,838,536
<b>TOTAL</b>			<b>\$ 3,389,889</b>	<b>\$ 36,398,515</b>	<b>\$ 63,901,802</b>	<b>\$ 103,690,206</b>
(1)	Chargers constitute the majority of Operations, includes Debt Service (\$6 million annually)					
(2)	Operating Revenue includes the Sports Arena and the TOT subsidies.					
(3)	Annual subsidies					
(4)	Operating Deficit, plus the Sports Arena and TOT subsidies					
(5)	Does not include services that are paid by General Fund; FY06 Police \$715,000, Fire \$25,000.					

According to Aguirre, part of the on-going \$10 million subsidy to keep the Chargers playing at Qualcomm Stadium is derived from annual transfers of revenue generated from the San Diego Sports Arena and the City's Transient Occupancy Tax (TOT), see Chargers' Stadium Revenue Table. These funds are placed in the Qualcomm Stadium Operations Fund. In addition, the City also incurs the cost of police and fire services for Chargers' games.

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